



Business Council Recognizes Prudent Tax Re-Balancing and Fiscal Discipline as Part of HST Reform

Vancouver May 25, 2011—The Business Council of British Columbia today voiced support for the broad package of changes to the HST announced by Finance Minister Kevin Falcon.

The Council believes the proposed changes – including one-time transitional payments to BC seniors and families with children under age 18, a two-step move to a significantly lower HST tax rate, and the adoption of higher taxes on business income – represent a prudent fiscal approach that will provide certainty for business and ensure that BC offers a competitive environment for investment and job growth. The modified HST regime will continue to deliver economic benefits compared to the former GST-PST system, which forced many tens of thousands of BC businesses to comply with two completely separate sales tax systems.

“Business never welcomes tax increases, however the package and timing of the proposed tax changes mean certainty for business and an ability to attract investment that creates jobs to build our economy,” stated Greg D’Avignon, President and CEO of the Business Council. “The revised package of HST and income tax measures, while still positive for business, will further enhance the benefits of the HST for consumers, mitigate impacts on families, and allow the government to return to balanced budgets as planned.”

“The HST, prior to the changes unveiled by the Minister, was sound tax policy and clearly superior to the previous antiquated GST-PST system, as noted by the Independent Panel and validated by our own analysis,” stated Jock Finlayson, the Business Council’s Executive Vice President of Policy. “The job creation benefits and increased business investment stemming from the HST, as confirmed by the Independent Panel, coupled with lower taxes for consumers through the measures announced today, will strengthen the economic recovery and help to establish a predictable fiscal structure for the province.”

“We are supportive of the actions being taken by the government in response to concerns that some British Columbians have had about the initial design and introduction of the HST,” added Finlayson. “Despite the increase in business taxes in 2012, we believe that BC remains well positioned on a North American basis in overall tax rates and in our fiscal situation. Looking ahead, it is important that the government continue to build on these advantages.”

The Business Council of British Columbia, established in 1966, is an association representing approximately 250 large and medium-sized enterprises. The Council’s members are active in all major sectors of the provincial economy. Taken together, the corporate members and the associations affiliated with the Business Council account for approximately one quarter of all jobs in British Columbia.

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Contact: Jock Finlayson
Executive Vice President, Policy
604 696-6585

Ken Peacock
Director, Economic Research
604-696-6584